

AUGUST 14, 1978

A LOAF OF BREAD -- AND THE ECONOMY

INTRO:

FRANCE RECENTLY LIFTED ALL CONTROLS OVER THE PRICE OF A LOAF OF BREAD. AND VOA'S JOHN BUE SAYS THIS MOVE REFLECTED A SIGNIFICANT EVOLUTION IN THAT COUNTRY'S ECONOMIC POLICIES.

TEXT:

THIS APPARENTLY INNOCUOUS MOVE, TAKEN IN MID-AUGUST WHEN MANY FRENCH BAKERIES ARE CLOSED FOR VACATIONS, HAS A DEEP SYMBOLIC IMPACT. THE PRICE OF BREAD IN FRANCE HAS BEEN CONTROLLED SINCE THE REVOLUTION -- THAT IS TO SAY FOR ONE HUNDRED EIGHTY-SEVEN YEARS. NO FRENCH GOVERNMENT SINCE THE OVERTHROW OF THE MONARCHY EVER DARED TO DECONTROL THE PRICE OF BREAD, THE NATION'S STAPLE FOOD.

NOW ADMITTEDLY, A FRENCH CITIZEN EATS FIVE TIMES LESS BREAD THAN HIS OR HER GRANDPARENTS, AND TEN TIMES MORE MEAT. BUT STILL, COMMERCIALY-PRODUCED BREAD REPRESENTS ONLY SEVEN PERCENT OF TOTAL CONSUMPTION AS AGAINST EIGHTY PERCENT IN BRITAIN AND FIFTY PERCENT IN GERMANY.

IT IS TO BE HOPED THAT PRICE FREEDOM WILL REVIVE THE QUALITY OF CRISP CRAFT-BAKED BREAD, ONCE A TRADITIONAL DELICACY IN FRANCE. QUALITY SLIPPED PERCEPTIBLY IN RECENT YEARS, PARTLY BECAUSE BAKERS FELT THEIR WORK WAS NOT ADEQUATELY REWARDED. BUT THE DEEPER SIGNIFICANCE OF THE MOVE IS THAT SINCE THE GOVERNMENT COALITION VICTORY IN THE PARLIAMENTARY ELECTIONS IN MARCH, FRENCH PRESIDENT GISCARD D'ESTAING NOW IS ABLE OPENLY TO PURSUE HIS AVOWED AIM TO MAKE FREE COMPETITION A BASIC FACTOR IN THE FRENCH ECONOMY.

IMMEDIATELY AFTER THE ELECTIONS HE AND PREMIER BARRE CHOSE AS ECONOMICS MINISTER MISTER RENE MONORY, KNOWN FOR HIS ATTACHMENT TO FREE ENTERPRISE. ONE OF MISTER MONORY'S FIRST MOVES WAS TO FREE THE PRICE OF INDUSTRIAL GOODS, FORMERLY REGULATED UNDER PREMIER RAYMOND BARRE'S STABILIZATION PLAN. MISTER BARRE HAD SAID THE PRICE PEGGING POLICY WAS A TEMPORARY ONE.

THE GOVERNMENT NOW APPEARS DETERMINED TO GIVE A FREE MARKET ECONOMY IN FRANCE THE OPPORTUNITY TO PROVE ITSELF.

FF/RD